

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**(A NOT FOR PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2011 AND 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 26 2011**

## CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1
<u>Financial Statements</u>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 9
<u>Supplementary Information</u>	
Schedules of Support and Revenue	10 - 11
Schedules of Functional Expenses	12 - 13
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14 - 15
Schedule of Findings and Questioned Costs	16
Schedule of Prior Findings and Questioned Costs	17



A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States  
www.pncpa.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Assumption Association for Retarded Citizens, Inc.  
Napoleonville, Louisiana

We have audited the accompanying statements of financial position of Assumption Association for Retarded Citizens, Inc. (a not-for-profit organization) as of June 30, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assumption Association for Retarded Citizens, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2011 on our consideration of Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Assumption Association for Retarded Citizens, Inc. taken as a whole. The accompanying schedules of support and revenue and functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Postlethwaite & Netterville*

Gonzales, Louisiana  
September 9, 2011

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 436,494	\$ 197,945
Certificates of deposit	1,163,705	1,375,359
Accounts receivable	128,585	91,868
Interest receivable	448	2,475
Investments	400,214	303,598
Land, buildings, and equipment, net	<u>1,147,389</u>	<u>1,145,539</u>
 TOTAL ASSETS	 <u>\$ 3,276,835</u>	 <u>\$ 3,116,784</u>
 <b><u>LIABILITIES AND NET ASSETS:</u></b>		
Accounts payable	\$ 56,440	\$ 33,059
Salaries and payroll taxes payable	<u>51,472</u>	<u>45,022</u>
 TOTAL LIABILITIES	 <u>107,912</u>	 <u>78,081</u>
 <b><u>NET ASSETS:</u></b>		
Unrestricted	3,162,277	3,038,703
Temporarily restricted	<u>6,646</u>	<u>-</u>
 TOTAL NET ASSETS	 <u>3,168,923</u>	 <u>3,038,703</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,276,835</u>	 <u>\$ 3,116,784</u>

The accompanying notes are an integral part of these statements.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>REVENUES AND OTHER SUPPORT, UNRESTRICTED:</u></b>		
Public Support:		
Public contributions	\$ 5,981	\$ 10,193
Grants - unrestricted, formerly restricted	354	-
Allocated by Capital Area United Way	22,684	18,877
Contributions from government agencies	2,110,689	2,011,537
Other Revenue:		
Membership dues - individual	315	390
Sales to public (net of expenses of \$23,337 and \$24,722, respectively)	116,106	121,954
Activity center services	120,762	117,946
Interest and dividend income	26,344	37,112
Net unrealized gain on investments	64,148	25,266
Gain (loss) on sale of assets	5,030	(3,090)
Total revenues and other support, unrestricted	<u>2,472,413</u>	<u>2,340,185</u>
<b><u>REVENUES, TEMPORARILY RESTRICTED:</u></b>		
Grants - restricted	7,000	-
Grants - removed from restriction	(354)	-
Total revenues, temporarily restricted	<u>6,646</u>	<u>-</u>
<b><u>EXPENSES:</u></b>		
Residential Services		
Napoleonville Manor	422,243	363,537
Thibaut Manor	370,356	353,874
Day-Program Services		
Activity Center	392,844	448,527
Project Fund	127,128	135,134
Association Fund	9,740	23,142
Waiver Services	597,457	594,553
General and Administrative		
Central Office	429,071	519,933
Total expenses	<u>2,348,839</u>	<u>2,438,700</u>
Change in net assets	130,220	(98,515)
Net assets at beginning of year	<u>3,038,703</u>	<u>3,137,218</u>
Net assets at end of year	<u>\$ 3,168,923</u>	<u>\$ 3,038,703</u>

The accompanying notes are an integral part of these statements.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 130,220	\$ (98,515)
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Depreciation	98,558	99,336
(Gain) loss on sale of assets	(5,030)	3,090
Unrealized gain on investments	(64,148)	(25,266)
Increase in accounts receivable	(36,717)	(5,977)
Decrease in interest receivable	2,027	4,501
Increase in accounts payable	23,381	3,199
Increase in salaries and payroll taxes payable	6,450	2,885
Net cash provided by (used in) operating activities	<u>154,741</u>	<u>(16,747)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
(Increase) decrease in certificates of deposit	211,654	(37,836)
Purchases of investments	(32,468)	(5,533)
Sales of investments	-	185,050
Purchases of property and equipment	(100,408)	(225,570)
Cash received from sales of property and equipment	5,030	600
Net cash provided by (used in) investing activities	<u>83,808</u>	<u>(83,289)</u>
 Net increase (decrease) in cash and cash equivalents	 238,549	 (100,036)
 Cash and cash equivalents at beginning of year	 <u>197,945</u>	 <u>297,981</u>
 Cash and cash equivalents at end of year	 <u><u>\$ 436,494</u></u>	 <u><u>\$ 197,945</u></u>

The accompanying notes are an integral part of these statements.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

- A. The Association is a non-profit organization formed to furnish education and recreation to the mentally retarded and handicapped persons of Assumption Parish. The Association is solely dependent upon appropriation from State agencies and other contributions.
- B. To ensure proper usage of restricted and unrestricted assets, the Association maintains its accounts according to generally accepted accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. Buildings and equipment are recorded at cost and are being depreciated using the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Transportation equipment	5 years
Other equipment	5 - 10 years

- D. Management considers accounts receivable that are more than 30 days old to be past due. Additionally, management has determined that accounts receivable that are more than one year old may not be collectible. Therefore, the reserve for uncollectible accounts is based upon the balance of receivables that are more than one year old. Management has determined that all receivables as of yearend are collectable.
- E. The majority of the Association's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to audits by the granting agencies.
- F. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The Association has temporarily restricted assets of \$6,646 and \$0 at June 30, 2011 and 2010, respectively, derived from a DOW grant restricted for recycling activities. The Association has no permanently restricted net assets at June 30, 2011 and 2010.

The Association reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

- G. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- H. The Association considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents. At June 30, 2011 the Association had \$1,294,716 of deposits that were not covered by FDIC insurance.
- I. The Association accounts for income taxes in accordance with income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). On January 1, 2009, the Association adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions.

The Association is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Association has not recorded a provision for income taxes in the accompanying financial statements and the Association does not have any uncertain tax positions. The Association files a federal income tax return under U.S. federal jurisdiction. With few exceptions, the Association is no longer subject to U.S. federal examinations by tax authorities for the year before 2007.

- J. Expenses are charged directly to programs in categories based on specific identification. Indirect expenses have been allocated based on total expenses for each program.
- K. Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**2. Buildings and Equipment**

Buildings and equipment at June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Building	\$ 1,576,291	\$ 1,576,291
Transportation equipment	363,156	376,835
Furniture and equipment	274,780	250,507
	<u>2,214,227</u>	<u>2,203,633</u>
Less: Accumulated depreciation	(1,066,838)	(1,058,094)
	<u>\$ 1,147,389</u>	<u>\$ 1,145,539</u>

Depreciation expense was \$98,558 and \$99,336 for the years ended June 30, 2011 and 2010, respectively.



**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**3. Contributions from Government Agencies**

Contributions from government agencies for the year ended June 30, 2011 consist of the following:

	Napoleonville Manor	Thibaut Manor	Activity Center	Waiver Services	Total
Title XIX	\$ 394,963	\$348,361	\$ -	\$ -	\$ 743,324
Patient Liability	50,835	55,050	-	-	105,885
OMR	-	-	5,992	-	5,992
Waiver Contract	-	-	429,527	795,963	1,225,490
Department of Transportation Grant	-	-	29,998	-	29,998
Total	<u>\$ 445,798</u>	<u>\$403,411</u>	<u>\$465,517</u>	<u>\$ 795,963</u>	<u>\$2,110,689</u>

Contributions from government agencies for the year ended June 30, 2010 consist of the following:

	Napoleonville Manor	Thibaut Manor	Activity Center	Waiver Services	Total
Title XIX	\$ 296,971	\$314,499	\$ -	\$ -	\$ 611,470
Patient Liability	44,673	59,109	-	-	103,782
OMR	-	-	5,964	-	5,964
Waiver Contract	-	-	417,162	834,442	1,251,604
Department of Transportation Grant	-	-	38,717	-	38,717
Total	<u>\$ 341,644</u>	<u>\$373,608</u>	<u>\$461,843</u>	<u>\$ 834,442</u>	<u>\$2,011,537</u>

**4. Retirement Plan**

The Association adopted a Simple IRA retirement plan effective July 1, 1997. The plan covers all full time employees. The Association matches the employees' contributions up to 3% of their compensation. The Association's contributions for the years ended June 30, 2011 and 2010 were \$0 and \$21,819, respectively.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**5. Fair Values of Financial Instruments**

In Accordance with the Fair Value Measurements and Disclosure topic of FASB ASC, disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial position is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Association.

The recent fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Association groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**5. Fair Values of Financial Instruments** (continued)

The following methods and assumptions were used by the Association in estimating its fair value disclosures for financial instruments:

*Securities*

Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using pricing models or quoted prices of securities with similar characteristics, at which point the securities would be classified within Level 2 of the hierarchy.

The following table presents for each fair value hierarchy levels, of the Association's financial assets and liabilities that are measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2011			
Certificates of Deposit	\$ -	\$ 1,163,705	\$ -
Mutual funds invested in stocks	400,214	-	-
	<u>\$ 400,214</u>	<u>\$ 1,163,705</u>	<u>\$ -</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2010			
Certificates of Deposit	\$ -	\$ 1,375,359	\$ -
Mutual funds invested in stocks	303,598	-	-
	<u>\$ 303,598</u>	<u>\$ 1,375,359</u>	<u>\$ -</u>

**6. Subsequent Events**

Assumption Association for Retarded Citizens, Inc. has evaluated subsequent events through September 9, 2011, the date that the financial statements were available to be issued, and determined that there were no events that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATION**

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**(A NOT FOR PROFIT ORGANIZATION)**

**SCHEDULES OF SUPPORT AND REVENUE**

**YEARS ENDED JUNE 30, 2011 AND 2010**

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	2011	2010	2011	2010	2011	2010	2011	2010
Unrestricted:								
Public Support:								
Public contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112	\$ 5,636
Grants - unrestricted, formerly restricted	-	-	-	-	-	-	354	-
Allocated by Capital Area United Way	-	-	-	-	-	-	-	-
Contributions from governmental agencies	445,798	341,644	403,411	373,608	465,517	461,843	-	-
Other Revenue:								
Unrealized gain on investments	5,658	2,228	16,850	6,637	-	-	-	-
Membership dues	-	-	-	-	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-	116,106	121,954
Activity Center services	-	-	-	-	120,762	117,946	-	-
Interest and dividend income	848	4,175	7,203	11,502	-	-	9	15
Gain (loss) on sale of assets	-	-	-	-	4,030	(3,090)	1,000	-
<b>Total Public Support and Other Revenue, unrestricted</b>	<b>452,304</b>	<b>348,047</b>	<b>427,464</b>	<b>391,747</b>	<b>590,309</b>	<b>576,699</b>	<b>117,581</b>	<b>127,605</b>
Temporarily restricted:								
Grants - restricted	-	-	-	-	-	-	7,000	-
Grants - removed from restriction	-	-	-	-	-	-	(354)	-
<b>Total Revenue, temporarily restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,646</b>	<b>-</b>

# **ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

## **(A NOT FOR PROFIT ORGANIZATION)**

### **SCHEDULES OF SUPPORT AND REVENUE**

**YEARS ENDED JUNE 30, 2011 AND 2010**

	Association Fund		Waiver Services		Central Office	
	2011	2010	2011	2010	2011	2010
Unrestricted:						
Public Support:						
Public contributions	\$ 5,869	\$ 4,557	\$ -	\$ -	\$ -	\$ -
Grants - unrestricted, formerly restricted	-	-	-	-	-	-
Allocated by Capital Area United Way	-	-	-	-	22,684	18,877
Contributions from governmental agencies	-	-	795,963	834,442	-	-
Other Revenue:						
Unrealized gain on investments	6,732	2,652	34,908	13,749	-	-
Membership dues	315	390	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-
Activity Center services	-	-	-	-	-	-
Interest and dividend income	800	1,610	17,484	19,810	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-
Total Public Support and Other Revenue, unrestricted	13,716	9,209	848,355	868,001	22,684	18,877
Temporarily restricted:						
Grants - restricted	-	-	-	-	-	-
Grants - removed from restriction	-	-	-	-	-	-
Total Revenue, temporarily restricted	-	-	-	-	-	-

# **ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

## **(A NOT FOR PROFIT ORGANIZATION)**

### **SCHEDULES OF FUNCTIONAL EXPENSES**

**YEARS ENDED JUNE 30, 2011 AND 2010**

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	2011	2010	2011	2010	2011	2010	2011	2010
Salaries	\$ 191,157	\$ 170,927	\$ 178,034	\$ 152,945	\$ 212,517	\$ 240,143	\$ 117,795	\$ 125,143
Employee benefits	1,393	717	1,393	1,353	6,891	11,002	-	-
Activity center services	64,271	57,276	56,491	60,670	-	-	-	-
Dues	-	-	-	-	-	-	-	-
Insurance	6,760	9,867	8,053	8,300	36,128	41,743	181	181
Office supplies	406	-	406	-	-	-	-	-
Auto expense	4,766	3,735	4,874	3,853	48,671	44,690	-	-
Postage	-	-	-	-	-	-	-	-
Professional services	6,323	4,793	6,341	4,898	-	-	-	-
Telephone	297	1,063	970	879	1,206	2,256	-	-
Travel and entertainment	38	192	104	229	177	1,099	-	-
Food	25,099	20,312	25,004	24,663	-	-	-	-
Payroll taxes	13,932	12,534	13,268	11,129	15,169	16,352	8,749	9,245
Contract work	999	975	816	555	1,199	797	-	-
Other	1,256	1,869	1,384	1,488	297	509	-	-
Repairs & maintenance	3,687	1,713	1,231	2,967	2,447	4,676	-	-
Depreciation	31,724	20,264	10,788	19,976	48,005	53,502	403	565
Advertising	-	-	-	-	-	-	-	-
Utilities	7,338	5,721	7,740	7,774	13,215	21,537	-	-
Supplies	7,130	8,998	5,976	7,148	6,922	10,221	-	-
Medical services	15,911	12,338	12,251	13,186	-	-	-	-
Clothing	216	327	297	1,230	-	-	-	-
Bed fee	39,540	29,916	34,935	30,631	-	-	-	-
Total expense before central office	\$ 422,243	\$ 363,537	\$ 370,356	\$ 353,874	\$ 392,844	\$ 448,527	\$ 127,128	\$ 135,134
Central office overhead	\$ 89,961	\$ 94,516	\$ 76,585	\$ 91,604	\$ 84,505	\$ 114,156	\$ 32,431	\$ 40,665
Net Income (Loss)	\$ (59,900)	\$ (110,006)	\$ (19,477)	\$ (53,731)	\$ 112,960	\$ 14,016	\$ (35,332)	\$ (48,194)

# **ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

## **(A NOT FOR PROFIT ORGANIZATION)**

### **SCHEDULES OF FUNCTIONAL EXPENSES**

**YEARS ENDED JUNE 30, 2011 AND 2010**

	Association Fund		Waiver Services		Central Office	
	2011	2010	2011	2010	2011	2010
Salaries	\$ 9,740	\$ 23,142	\$ 597,457	\$ 594,553	\$ 429,071	\$ 519,933
Employee Benefits	5,158	14,004	7,677	9,823	16,697	34,636
Activity center services	-	-	-	-	-	-
Dues	1,306	1,083	-	-	-	-
Insurance	-	-	2,414	2,403	91,232	72,914
Office supplies	-	-	-	-	9,204	16,044
Auto Expense	-	-	1,686	309	-	-
Postage	-	-	-	-	1,267	2,047
Professional Service	-	-	-	-	15,858	16,085
Telephone	-	-	155	1,187	4,362	6,715
Travel and entertainment	899	1,067	5,359	5,767	629	1,872
Food	1,081	1,224	-	-	-	-
Payroll Taxes	-	-	40,210	40,425	18,308	24,079
Contract Work	-	-	-	-	10,186	13,347
Other	1,029	5,335	600	400	-	-
Repairs and Maintenance	-	-	-	-	2,633	980
Depreciation	-	-	2,827	2,915	4,811	2,114
Advertising	-	-	-	-	500	611
Utilities	-	-	-	-	9,326	2,352
Supplies	267	429	-	105	3,280	4,530
Medical Services	-	-	-	-	-	-
Clothing	-	-	-	-	-	-
Bed fee	-	-	-	-	-	-
Total expense before central office	\$ 9,740	\$ 23,142	\$ 597,457	\$ 594,553	\$ 429,071	\$ 519,933
Central office overhead	\$ 801	\$ 5,497	\$ 122,104	\$ 154,617	\$ (406,387)	\$ (501,056)
Net Income (Loss)	\$ 3,175	\$ (19,430)	\$ 128,794	\$ 118,831	\$ -	\$ -



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN**  
**AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Assumption Association for  
Retarded Citizens, Inc.  
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Retarded Citizens, Inc. (a not for profit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Assumption Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Assumption Association for Retarded Citizens, Inc. in a separate letter dated September 9, 2011.

This report is intended solely for the information and use of the board of directors, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Poolathurait & Metturil*

Gonzales, Louisiana  
September 9, 2011

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2011**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expressed an unqualified opinion on the financial statements of Assumption Association for Retarded Citizens, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported as of June 30, 2011.
3. No instances of noncompliance material to the financial statements of Assumption Association for Retarded Citizens, Inc. were disclosed during the audit.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**NONE**

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.**

**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2011**

**SECTION I – FINANCIAL STATEMENT FINDINGS**

**NONE**

**SECTION II - MANAGEMENT LETTER COMMENTS**

**ML-2010-1 Financial Condition**

**Finding:** For the year ended June 30, 2010 revenues from the State of Louisiana were \$2,011,537 which is 86% of total revenues. These revenues from the State of Louisiana were \$130,000 less than the prior year due to State budget cuts. It is anticipated that the Association will experience similar budget cuts for the 2011 fiscal year.

**Current Status:** The Association's executive director and supervisors have developed a plan to reduce expenses and have presented these suggestions to the Board of Directors for their approval. The Board has taken action to reduce salary and related expenses to offset these known reductions and has also considered reductions in all expense areas for all programs. The Association has shown positive cash in the current year.

**ML-2010-2 Budget and Budget Reporting**

**Finding:** Presently, Management does not adopt budgets by program. Therefore, it cannot provide its program supervisors with monthly financial reporting comparing its actual revenues and expenses per month and year to date with budgeted revenues and expenses.

**Current Status:** A similar finding was noted in the current year.

To the Board of Directors  
Assumption Association for Retarded Citizens, Inc.  
Napoleonville, Louisiana

We have audited the financial statements of the Assumption Association for Retarded Citizens, Inc. for the year ended June 30, 2011, and have issued our report thereon dated September 9, 2011. Professional standards suggest that we provide you with the following information related to our audit.

As stated in our engagement letter dated July 1, 2011, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Assumption Association for Retarded Citizens, Inc.. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure. During the course of the performance of our audit procedures and documentation of the Association's internal controls, we noted certain immaterial items that have been communicated to management by way of discussion. The following is a description of items that were of such significance to comment in a formal management letter.

#### **ML-2011-1 BUDGET AND BUDGET REPORTING**

**Finding:** Presently, management does not adopt budgets by program. Therefore, it cannot provide its program supervisors with monthly financial reporting comparing its revenues and expense per month and year to date with budgeted revenues and expenses.

**Recommendation:** Management should prepare budgets by program and for the Association as a whole before each fiscal year begins for the Board's approval. Management should meet with its program supervisors monthly to review the programs operations in comparison with its budgets.

This information is intended solely for the use of the board of directors and management of the Assumption Association for Retarded Citizens, Inc. and should not be used for any other purpose.

*Poethliethwait & Metturill*

Gonzales, Louisiana

September 9, 2011

# Assumption Association for Retarded Citizen, Inc.

P.O. Drawer 1040  
4201 Highway 1  
Napoleonville, LA 70390  
(985) 369-2907/2908 FAX (985) 369-2657

arcoa@aacrcinc.org  
WARREN GONZALES  
EXECUTIVE DIRECTOR

## BOARD MEMBERS

DANIEL LANDRY  
PRESIDENT  
LARRY BOUDREAUX  
PAT VERRETTE

## BOARD MEMBERS

WAYNE ARBONEAUX  
CINDY DAIGLE  
BILL BARBIER  
RENE DAZE

## CORRECTIVE ACTION PLAN

September 23, 2011

Louisiana Legislative Auditor

The Assumption Association for Retarded Citizens, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2011.

Name and address of independent public accounting firm: Postlethwaite & Netterville, APAC  
P.O. Box 1190  
Donaldsonville, LA 70346

Audit Period: July 1, 2010 - June 30, 2011

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

## FINDINGS - SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### ML-2011-1 BUDGET AND BUDGET REPORTING

**Findings** Presently, management does not adopt budgets by program. Therefore, it cannot provide its program supervisors with monthly reporting comparing its revenues and expense per month and year to date with budgeted revenues and expenses

**Recommendation:** Management should prepare budgets by program and for the Association as a whole before each fiscal year begins for the Board's approval. Management should meet with its program supervisors monthly to review the programs operations in comparison with its budgets.



for South Louisiana

**Corrective Action:** Each program supervisor and qualified mental retardation professionals (QMRP) will produce a budget each fiscal year. Management will meet with supervisors and QMRP monthly and review their budgets.

If you have any questions, please contact me at 985-369-2908, extension 23.

Sincerely,

  
Warren Gonzales  
Executive Director